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C O N F I D E N T I A L SECTION 01 OF 04 TALLINN 000383

SIPDIS

FOR SECRETARY GATES FROM AMBASSADOR PHILLIPS

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TAGS: [PGOV](#) [PREL](#) [MARR](#) [MOPS](#) [NATO](#) [EN](#)

SUBJECT: SCENESETTER FOR SECDEF GATES' VISIT TO TALLINN

CLASSIFIED BY AMB. DAVE PHILLIPS FOR REASONS 1.4 (b/d)

¶1. (SBU) SUMMARY: Mr. Secretary, I will be delighted to welcome you to Tallinn on November 12-13. Estonia is a steadfast Ally and your visit is an important sign of the strength of the U.S.-Estonian bilateral relationship and Estonia's commitment to NATO. In the wake of Russia's invasion of Georgia and sensitivities related to Estonia's own large Russian-speaking minority, the Government of Estonia (GOE) is eager for assurances from you that Article V of the Washington Treaty is fully in force. While Estonia relies on NATO's security guarantee, the GOE fully appreciates the fact that in order to be a consumer of security guarantees, it also must be a provider of security as well. As a result, Estonia has been an active partner in international operations. Estonian soldiers stand side-by-side with U.S. and NATO soldiers conducting difficult combat operations in Iraq and Afghanistan. On October 22, the Parliament extended Estonia's mandate in Afghanistan through December 2009, raising the ceiling on the number of troops deployed from 150 to 170. The path forward on Iraq is less clear as Estonia needs to establish a new legal basis for Estonian troops to remain in Iraq beyond 2008.

¶2. (C) SUMMARY CONT'D: Estonia is also a role model for democratic reform and development in the former Soviet states, and a strong proponent of NATO and EU enlargement. The GOE has taken a leadership role in promoting NATO and international cooperation on cyber security. During your visit we hope you will be able to meet with the Prime Minister, the President and the Minister of Defense. In your meetings in Tallinn, it would be useful to:

-- Reaffirm the USG commitment to NATO's Article V security guarantee.

-- Thank Estonia for its participation in the Iraq coalition and share USG thinking on the way ahead.

-- Update USG plans for Afghanistan, ISAF and RC-South, including any strategy development for southern Afghanistan.

-- Recognize Estonian sacrifices in Iraq and Afghanistan.

--Welcome NATO's accreditation of the Estonian Cyber Center as a NATO Center of Excellence. (Announce, if possible, that the United States will now become a sponsoring nation of the Cyber Center).

-- Urge GOE to meet its NATO commitment to spend 2 percent of GDP on defense by 2010.

END SUMMARY.

THE STATE OF THE NATION: COALITION STABLE, ECONOMY LOGY

¶3. (SBU) Formed in April 2007, Estonia's center-right three-party coalition is stable, and has benefited from years of strong economic growth. The coalition's objectives include a proactive, pro-western foreign policy and a liberal, pro-business economic agenda. So far, Estonia does not/not appear headed to become the "next Iceland," but as Swedish banks control 70 percent of the commercial banking sector in Estonia, the GOE is monitoring Nordic financial health carefully.

¶4. (SBU) The economy, however, is under some strain. Growth and direct investment are down. The Central Bank predicts negative growth for 2008 and 2009. Declining tax receipts forced the government to make significant budget cuts this year (although the budget is balanced.) Inflation (about 10 percent) and unemployment (about 6 percent) appear to have leveled off, so the biggest immediate problem is keeping the state budget in balance in the face of declining tax revenues.

¶5. (SBU) The violence that erupted last year in response to the removal of a Soviet-era statue (the "Bronze Soldier"), has not reoccurred. There has been minimal support from Estonia's Russian-speaking minority (about one-quarter of the population) for Russia's actions in Georgia, although polls show that ethnic Estonians (who overwhelmingly condemn Russia) and Russians (who largely condemn Georgia) view events in Georgia through very different eyes.

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Despite the relative calm, Estonians and Russian speakers do not mix freely. Russian speakers are not politically active and as Estonian language skills are required for government jobs, feelings of disenfranchisement can be strong in the predominantly Russian-speaking areas of Estonia.

THE ESTONIAN LEADERSHIP: STAUNCH FRIENDS OF THE U.S.

¶6. (U) Presidential elections in Estonia occur every five years. The current Estonian President, Toomas Hendrik Ilves, was elected on September 23, 2006. As Estonia is a parliamentary democracy, the Presidency is a symbolic office and the President holds no executive power. The next presidential elections will be held in 2011.

¶7. (U) Parliamentary elections take place every four years; members are elected by proportional representation. The most recent elections occurred in March 2007. A center-right coalition, led by Prime Minister Andrus Ansip, won a combined 60 seats (out of 101 total) in the parliament. There are three opposition parties in the Parliament. The largest of these is heavily supported by the ethnic-Russian minority. The next parliamentary elections are scheduled to take place in 2011.

¶8. (C) While in Tallinn, we hope you will meet with Estonian President Toomas Hendrik Ilves, Prime Minister Andrus Ansip and Defense Minister Jaak Aaviksoo.

--President Toomas Hendrik Ilves was born in Sweden to migrant parents, and grew up in the United States. He attended high school in New Jersey and received degrees in psychology from Columbia (1976) and the University of Pennsylvania (1978). While President Ilves has no constitutional authority, as a former Foreign Minister he is still engaged on foreign policy issues. President Ilves is fervently pro-American, strongly supportive of Estonia's military engagements abroad, and frequently outspoken about (and critical of) Russia. President Ilves is hosting dinner on November 12 to launch the NATO-Ukraine Consultations.

--Andrus Ansip has served as Prime Minister since April 2005. He espouses strong free market, pro-business views and enjoys broad public support. In the March 2007 parliamentary elections which re-elected Ansip, he received the most votes ever by an individual in Estonia's history. Just after this electoral triumph, Ansip was tested by fire when he decided to move a Soviet-era "Bronze Soldier" monument, sparking wide-scale riots in Tallinn. Ansip's steadfast leadership throughout elicited a surge in popular support for the government. He is a staunch supporter of the United States, saying (for instance) that "as long as the U.S. needs Estonia (in Iraq), we will stay there." His English is heavily-accented, but his comprehension is extremely good.

--Jaak Aaviksoo has served as Defense Minister since early 2007. A PhD physicist, he spent almost his entire career in academia and research. Prior to his current appointment, Aaviksoo's only stint outside of academia was as Minister of Culture and Education (1995-1996) and Minister of Education (1996-1997). Although a relative outsider to Estonian politics, Aaviksoo is considered ambitious and outspoken; he has emerged as one of the most popular members of PM Ansip's cabinet. Aaviksoo is a quick study and takes an active hand in management of the Ministry of Defense. Aaviksoo speaks excellent English.

ESTONIA IN INTERNATIONAL OPERATIONS: ALWAYS READY TO SERVE, NEED SOME HELP ON IRAQ

9. (C) Estonia has one of the highest deployment rates in NATO, with nine percent of its land forces committed to international operations. Estonia participates without caveats in combat missions in both Iraq and Afghanistan as well as missions in Bosnia, Kosovo, Lebanon, and provides support to NRF and EU Battle Groups. In Afghanistan, 140 Estonian forces are deployed with the U.K.-led Task Force responsible for combat and reconstruction operations in Helmand Province. Three Estonians have been killed in Afghanistan, approximately 25 wounded. On October 22, Estonia's Parliament voted to extend the Afghanistan mission through December 2009. The bill passed Parliament

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with a majority in favor (and no votes opposing). Your Estonian interlocutors will be interested in U.S. plans to pull up our forces in Southern Afghanistan in 2009. (Note: DM Aaviksoo will visit Estonian troops in Afghanistan one week prior to your visit. End Note.)

10. (C) In Iraq, Estonia's 34-member Infantry Platoon is embedded with U.S. forces and conducts counterinsurgency operations just north of Baghdad. The GOE also has three staff officers assigned to the NATO Training Mission-Iraq. Two Estonians have been killed in Iraq, and approximately 25 wounded. Estonia's mandate to participate in Operation Iraqi Freedom, predicated on UNSCR 1151, expires on Dec 31, 2008. Absent a new UNSCR, the GOE needs a new legal basis for the Iraq mission. Legislation to extend the mandate must be approved by the Cabinet and Parliament before December 31 or Estonia may have to withdraw its troops.

11. (C) On October 22, the NSC briefed the 1+4+1 Ambassadors in Washington on the U.S.-Iraq Strategic Framework and Status of Forces (SOFA) Agreement. The GOE is still waiting for an invitation from the Government of Iraq for Estonian troops to continue in the coalition. PM Ansip and MOD Aaviksoo will be keenly interested in when the U.S.-Iraq SOFA will be approved and how the U.S. can help Estonia finalize a suitable legal basis for its own participation. All Estonian interlocutors will want to know why, ultimately, Estonia was chosen to be among the 1+4+1 countries.

RUSSIA/GEORGIA: THERE MUST BE CONSEQUENCES

¶12. (C) Estonia has close ties to Georgia and has been fiercely critical of Russia's August 8 invasion. President Ilves and PM Ansip have both demanded Russia withdraw its troops from Georgia. President Ilves and Foreign Minister Urmas Paet each traveled to Georgia in August. At the October 22 Georgia Donor's Conference in Paris, the GOE pledged USD 1 million in assistance to Georgia. Estonia has already provided Georgia with humanitarian aid, and two cyber specialists were dispatched immediately after the crisis began to help the Georgian government in battling cyber attacks. Estonia is also represented in the EU monitoring mission and the OSCE monitoring group in Georgia.

¶13. (C) Estonia has demanded a new peacekeeping force be sent to South Ossetia, calling Russia "unfit" for peacekeeping operations. Estonia supports establishment of an (EU) Free Trade Agreement with, and visa-facilitation regime for, Georgia (and revocation of similar EU visa arrangements with Russia). During DHS Secretary Chertoff's October 29 visit to Tallinn, President Ilves explored with him whether anti-money laundering statutes could be used as a way to affect Russian behavior. The Estonian drumbeat, even three-plus months after the invasion remains loud and clear that "there must be consequences" (for Russia).

ESTONIAN DEFENSE AND SECURITY POLICY

¶14. (C) The war in Georgia has put a spotlight on NATO's Article V guarantee of collective defense, a central tenet in Estonian security policy. Since the August invasion Estonian officials have sought assurances that NATO's contingency planning is underway and that it will have a significant and positive impact on Estonian security. The Ministry of Defense and the Estonian Defense Forces (EDF) are drafting Estonia's first Ten Year Defense Plan with the goal of synchronizing the planning process with the NATO ten-year cycle and linking resources and capabilities with perceived threats. In light of Georgia, this process will be reassessed to ensure that the current force structure is capable of responding to a similar crisis in Estonia.

BALTIC AIR POLICING

¶15. (C) Thirteen NATO members conduct air policing for the Baltics. The U.S. began its second rotation in October, deploying four F-15s and 130 airmen of the 493d Expeditionary Fighter Squadron to Lithuania for three months. Estonia appreciates the U.S. role in the air policing mission, and the current U.S. presence is considered extremely valuable. The Baltic States have asked NATO to continue air policing until 2018. Senior GOE officials have said recently that events in Georgia

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'stressed' Estonian society, and revealed a desire for a more visible NATO presence in Estonia. The Foreign Minister has pointed out that Russian planes in Pskov are only 300 kms from Estonia while NATO planes in Lithuania were located 600 kms away.

NATO MAP FOR UKRAINE AND GEORGIA

¶16. (C) Estonia strongly supports offering MAP to both Georgia and Ukraine at the NATO ministerial in December. President Ilves, PM Ansip and other members of government have argued that NATO must take some kind of decision in December and that it is important not to move further away from the gains made at Bucharest. In particular, the GOE is concerned that a failure to act decisively would send a message to Russia that it has a veto in NATO.

CYBER SECURITY: NOW MORE THAN EVER

¶17. (C) Estonia's Center for Cooperative Cyber Defense (CCD) is a major source of pride for the GOE. In November

2007 the U.S. became the first country to send a representative to the Center, though we are not officially a "Sponsoring Nation" (Germany, Italy, Latvia, Slovakia, Spain and Lithuania are currently Sponsoring Nations while France, Hungary, Iceland, Romania, Slovenia, Turkey and Greece have all stated their intentions to become sponsors in the future). There have been indications that the U.S. will join once the Center has NATO's blessing, but no formal announcements have been made. The NAC approved the Center's designation as a NATO Center of Excellence on Oct 28. A deliverable for your visit could be your announcement that the U.S. intends to become a sponsoring nation.

ENERGY SECURITY

¶18. (SBU) The GOE is keenly focused on greater energy independence as a strategic security issue. Currently Estonia is self-sufficient for electricity, but depends on Russia for all of its natural gas (roughly 17 percent of total energy consumption). By 2016, however, Estonia must either shut down or modernize its oil shale-fired power plants (where electricity is generated). In the long-term, the GOE is moving toward reducing its dependence on oil shale, making up the difference in supply with nuclear energy and wind plus gas-powered turbines. Estonia will remain 100 percent dependant upon Russia for natural gas. However, Estonia pays market price for the gas it buys from Russia and has not experienced politically-motivated interruptions of supply.

¶19. (SBU) A key decision the GOE is facing is where to obtain the nuclear-generated electricity. There is growing support in the public, Parliament and the GOE for building a small nuclear plant in Estonia. The GOE has also expressed interest in joining a possible new plant in Lithuania or in Finland. Estonia plans to build a second undersea cable to Finland, which will further link the Baltic and Nordic electricity grids. The GOE supports linkage of Estonia's electricity grid with the western European grid. The bottom line: In the EU, at least Estonia is looking west for its energy solutions, not east.

¶20. (U) Again, welcome to Estonia. I look forward to seeing you very soon.